

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 218 - SB 368**

March 24, 2011

**SUMMARY OF BILL:** Authorizes Davidson, Knox, and Shelby Counties to permit or prohibit the sale, possession, and use of consumer fireworks. Requires each jurisdiction authorizing or rescinding the sale of fireworks to forward the appropriate ordinance to the State Fire Marshal and to establish an application process and application fee for fireworks permits. Requires any permit revocation notices to be filed with the county clerk. Authorizes the State Fire Marshal to refuse issuance of a new permit following a revocation or cancelation for a period not to exceed three years. Authorizes each jurisdiction to prohibit the use of fireworks if 55 percent of total fireworks sales are to residents outside of the local government jurisdiction.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue – \$1,323,000**  
**State Expenditures – Net Impact – Not Significant**

**Increase Local Revenue – \$425,400**  
**Increase Local Expenditures – Not Significant**

**Assumptions:**

- According to the Department of Revenue (DOR), the average fireworks sales tax account posts annual sales of \$63,000, resulting in approximately \$4,410 state sales tax revenue and \$1,418 local sales tax revenue per permit.
- According to the DOR, there will be approximately 300 permits issued in Davidson, Knox, and Shelby Counties resulting in an increase to state revenue of \$1,323,000 (\$4,410 x 300) and local government revenue of \$425,400 (\$1,418 x 300).
- State expenditures will increase from paperwork requirements related to local permits. State expenditures will decrease from no longer conducting random inspections or issuing permits directly. Because it is estimated that the decrease in random inspections and issuing permits will be greater than the increase from paperwork, the net impact is estimated to be a not significant decrease in state expenditures.
- The cost to local governments to accept, review, issue, and inspect permits is unknown. The application fee assessed to each permit application is unknown but is estimated to be established at a rate capable of matching any increase to local expenditures as a result of new permit programs.
- Issuing additional fireworks permits and collecting sales tax revenue will not result in a significant increase to state or local expenditures.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

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